

Message Text

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PAGE 01 CARACA 08152 192154Z

72

ACTION ARA-20

INFO OCT-01 ISO-00 SCEM-02 INT-08 EB-11 OMB-01 TRSE-00

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E.O. 11652: N/A

TAGS: ENRG VE

SUBJECT: OIL POLICY OF AD PARTY

1. ACCION DEMOCRACIA IS SCHEDULED TO PUBLISH NEXT WEEK DESCRIPTIONS OF POLICIES IT WOULD FOLLOW IF IT WINS FORTHCOMING ELECTIONS. EL NANACIONAL REPORTS TODAY THAT AD'S PETROLEUM POLICY WILL INCLUDE PROVISION FOR EARLY REVERSION OF PETROLEUM CONCESSIONS.

2. DIRECTOR OF SHELL PETROLEUM, RICHARD IRVING, BELIEVES THAT AD OIL POLICY WILL BE BASED ON REPORT PREPARED AND RECENTLY SUBMITTED TO AD LEADERSHIP BY

FORMER MINISTER OF MINES AND HYDROCARBONS, JOSE ANTONIO MAYOBRE. IRVING SAYS THAT MAYOBRE REPORT, OF WHICH ONLY SIX COPIES EXIST, CONCLUDES THAT VENEZUELA WILL CONTINUE TO REQUIRE ASSISTANCE OF PRIVATE OIL COMPANIES IN MARKETING, TRANSPORTATION, AND MANAGEMENT BEYOND THE TIME WHEN PRESENT CONCESSIONS EXPIRE (TWO THIRDS EXPIRE IN 1983-84). MAYOBRE REPORT THERFORE RECOMMENDS, IRVING SAYS, THAT MAJOR OBJECTIVE OF AD GOVERNMENT, IF ELECTED, SHOULD BE TO CREATE NEW
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REGIME IN WHICH OIL COMPANIES COULD CONTINUE TO PLAY

USEFUL ROLE BEYOND 1983. NEW REGIME SHOULD REPLACE CONCESSIONS AT SOME TIME DURING NEXT CONSTITUTIONAL PERIOD. THIS WOULD BE A FORM OF "EARLY REVERSION," SINCE ANY NEW REGIME WOULD PRESUMABLY EMPHASIZE VENEZUELAN OWNERSHIP OF PETROLEUM.

3. OBVIOUSLY, "EARLY REVERSION" MEANS MANY THINGS TO MANY PEOPLE. THE RANGE OF THEORETICAL POSSIBILITIES, ALL OF WHICH ADVOCATED BY SOME POLITICAL ELEMENTS HERE, RUNS ALL THE WAY FROM AN EARLY AND COMPLETE END TO ROLE OF PRIVATE OIL COMPANIES HERE (NATIONALIZATION) TO NEGOTIATED ARRANGEMENTS THAT WOULD RESPOND TO VENEZUELAN SENSIBILITIES WHILE PRESERVING SUBSTANTIAL AND USEFUL ROLE FOR OIL COMPANIES HERE BEYOND 1984.
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